

Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 XMB-04 COME-00 H-02 ACDA-12 CIAE-00
INR-10 IO-14 L-03 NSAE-00 EB-08 NRC-07 OES-07
SOE-02 DODE-00 DOE-15 SS-15 SP-02 CEQ-01 PM-05
PA-02 NSCE-00 SSO-00 ICAE-00 INRE-00 /122 R

DRAFTED BY EA/K:DBLAKEMORE:JCM
APPROVED BY EA/K - MR. RICH
EX-IM BANK: CHOUSTON (SUBS.)
-----029987 052224Z /73

O 052121Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY SEOUL IMMEDIATE
AMEMBASSY JAKARTA IMMEDIATE

UNCLAS STATE 115360

JAKARTA FOR ASSISTANT SECRETARY HOLBROOKE

E.O. 11652: N/A

TAGS: ETRD, KS, US

SUBJECT: EXIM BANK LOAN FOR KOREAN NUCLEAR POWER PLANTS
- - KOREAN NUCLEAR POWER PLANTS

THE FOLLOWING STATEMENT BY SENATOR STEVENSON APPEARED IN
THE CONGRESSIONAL RECORD FOR MAY 4.

QUOTE:

MR. STEVENSON. MR. PRESIDENT, I HAVE TODAY RECEIVED
NOTIFICATION FROM THE EXIMBANK OF ITS INTENTION TO EXTEND
A DIRECT CREDIT OF UP TO \$732,100,000 TO THE KOREA
ELECTRIC CO. FOR 75 PERCENT OF THE U.S. GOODS AND
SERVICES INTENDED TO BE ACQUIRED BY THAT COMPANY FOR TWO
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NUCLEAR FACILITIES. IN ADDITION, THE BANK PROPOSES TO
GUARANTEE UP TO \$97,000,000 OF PRIVATE FINANCING FOR
THESE EXPORTS.

SOME MONTHS AGO I INDICATED THAT IF THE SOUTH KOREAN
GOVERNMENT FAILED TO COOPERATE WITH THE INVESTIGATIONS
OF THE SENATE AND HOUSE ETHICS COMMITTEES INTO EFFORTS BY

KOREAN NATIONALS TO INFLUENCE MEMBERS OF THE CONGRESS, I WOULD MOVE TO BLOCK THIS CONCESSIONARY FINANCING. SINCE THEN, THE KOREAN GOVERNMENT HAS BEEN COOPERATING. BOTH COMMITTEES HAVE RECEIVED THE TESTIMONY OF TONGSUN PARK, AND THE COOPERATION CONTINUES. THE EFFORT TO OBTAIN INFORMATION FROM ADDITIONAL KOREAN NATIONALS HAS BEEN COMPLICATED, HOWEVER, BY AN ERRONEOUS NEWS REPORT AND A STATEMENT BY FORMER AMBASSADOR PORTER WHICH IMPLIED THAT THE EXECUTIVE OFFICE OF THE PRESIDENT OF THE REPUBLIC OF KOREA HAD BEEN SUBJECTED TO SURVEILLANCE BY U.S. INTELLIGENCE SERVICES.

MR. PRESIDENT, THE ERRONEOUS NEWS STORY INDICATED THAT THE SOUTH KOREANS HAD ACQUIESCED IN CONGRESSIONAL DEMANDS FOR TESTIMONY BY A KOREAN OFFICIAL. IN FACT, THE COMMITTEES ARE NOT ASKING FOR "TESTIMONY," WHICH WOULD ENTAIL A VIOLATION OF THE VIENNA CONVENTION, NOR HAVE THE KOREANS EVER ACQUIESCED IN ANY SUCH REQUEST. THE SENATE ETHICS COMMITTEE HAS SOUGHT KOREAN COOPERATION IN THE FORM OF FACE-TO-FACE COMMUNICATION WITH CERTAIN KOREAN NATIONALS. FAR FROM SEEKING A VIOLATION OF THE VIENNA CONVENTION, WE SEEK COOPERATION IN ITS SPIRIT AND OUT OF MUTUAL INTEREST AND FRIENDSHIP. IT IS MY IMPRESSION THAT THE HOUSE COMMITTEE CONCURS IN THIS APPROACH.

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AS FOR THE IMPLICATION OF AMBASSADOR PORTER'S COMMENTS, THAT MATTER WAS ONCE INVESTIGATED BY THE SENATE INTELLIGENCE COMMITTEE ON WHICH I SERVE. THERE IS NO BASIS FOR THE IMPLICATION, AND AMBASSADOR PORTER HAS NOW CONFIRMED AS MUCH. I AM HOPEFUL THAT THESE MISLEADING AND INFLAMMATORY SUGGESTIONS CAN BE PUT TO REST AND THAT THE CLIMATE WILL THEN BE MORE PROPITIOUS TO CONTINUED KOREAN COOPERATION SO THAT WE CAN WIND UP THESE INVESTIGATIONS AFTER HAVING DONE EVERYTHING POSSIBLE TO DETERMINE THE FACTS AND MAKE RECOMMENDATIONS FOR APPROPRIATE ACTION.

MY HOPES WERE REVIVED BY A RECENT CONVERSATION WITH THE KOREAN AMBASSADOR TO THE UNITED STATES. HIS GOVERNMENT IS AWARE OF THE COOPERATION WE NEED, AND THE MOVEMENT CONTINUES TOWARD A MUTUALLY ACCEPTABLE ARRANGEMENT.

" MR. PRESIDENT, SINCE THIS SUBJECT HAS BEEN COMPLICATED BY EVENTS BEYOND THE CONTROL OF THE KOREANS, AND MOVEMENT IS, NONETHELESS, CONTINUING IN A SPIRIT OF COOPERATION TOWARD AN ARRANGEMENT WHICH COULD PRODUCE

COMMUNICATIONS IN AN ACCEPTABLE FORM, I WILL NOT ATTEMPT TO PREVENT EX-IM FINANCING OF THIS LARGE TRANSACTION. IT COULD SEEM AT THIS POINT AN ACT OF INGRATITUDE AND RETARD OUR PROGRESS. BUT LET THERE BE NO MISTAKING OUR INTENT:

THE INTEGRITY OF THE CONGRESS IS MORE IMPORTANT TO THE NATION THAN A CASH SALE, AND I SENSE A SHARP OPINION IN THE CONGRESS THAT MILITARY ASSISTANCE WOULD HAVE TO BE RECONSIDERED IF OUR EFFORTS TO COOPERATE WERE NOT RECEIVED IN THE SAME SPIRIT BY THE REPUBLIC OF KOREA. I REITERATE MY MOST EARNEST REQUEST TO THE KOREAN GOVERNMENT--THAT IT FACILITATE OUR INVESTIGATIONS SO THAT THIS MATTER MAY BE PUT BEHIND OUR COUNTRIES AND THEIR RELATIONSHIP RESTORED TO ONE OF FULL MUTUAL BENEFIT AND UNCLASSIFIED

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FRIENDSHIP. UNQUOTE. CHRISTOPHER

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Message Attributes

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Disposition Date: 01 jan 1960
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Disposition History: n/a
Disposition Reason:
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Subject: EXIM BANK LOAN FOR KOREAN NUCLEAR POWER PLANTS - - KOREAN NUCLEAR POWER PLANTS THE FOLLOWING STATEMENT BY SENATOR STEVENSON APPEA
TAGS: ETRD, KS, US
To: SEOUL JAKARTA
Type: TE
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